



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 1, 2008

TO: Mayor and Councilmembers

FROM: Human Resources, Administrative Services Department

SUBJECT: Restatement And Simplification Of Employee Coverage Group References To The Public Employees' Retirement System

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara to Establish a Pre-Tax Payroll Deduction Plan for Service Credit Purchases Under the California Public Employees' Retirement System.

DISCUSSION:

The action recommended in this Council Agenda Report merely restates and simplifies references applicable to employee coverage groups to the pre-tax payroll deduction plan. There are no programmatic changes.

Eligible City employees are entitled to purchase service credit under the California Public Employees' Retirement System (PERS). On April 14, 1998, the City Council adopted Resolution No. 98-029 to establish the PERS pre-tax payroll deduction plan for service credit purchases. Under the plan, employees have been provided the optional benefit of deferring income tax liability for service credit purchases.

As required by PERS, a revised resolution for the same PERS pre-tax payroll deduction plan is necessary to restate the participating employee coverage groups.

Resolution No. 98-029 established the participating employee coverage groups to the pre-tax deduction plan; set forth as: Miscellaneous 70001, Fire 74001, and Police 75001. In October 2005, the Miscellaneous coverage group changed from 70001 to 70002, effective with the contract pension formula change from 2.5% to 2.7% at 55.

The attached resolution restates the participating employee coverage groups to the pre-tax deduction plan; set forth simply as: All Miscellaneous and Safety Employee Groups. No other changes to the resolution are necessary.

REVIEWED BY: _____ Finance _____ Attorney _____ Name of Additional Department(s) That Need to Review CAR

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Pre-tax payroll deductions have continued under the former PERS Miscellaneous coverage group 70001. There are currently 18 PERS Miscellaneous employees on the pre-tax payroll deduction plan. There is no impact to these employees; PERS will adjust pre-tax payroll deduction benefits to the restated coverage group for the current participants.

BUDGET/FINANCIAL INFORMATION:

There is no fiscal impact.

PREPARED BY: Clare Turner, Benefits Analyst

SUBMITTED BY: Marcelo A. López, Administrative Services Director

APPROVED BY: City Administrator's Office